

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

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:  
COMBE INCORPORATED, : Civil Action No.  
:  
Plaintiff : 1:17-CV-935  
:  
versus :  
:  
DR. AUGUST WOLFF GMBH &, :  
CO. KG ARZNEIMITTEL, :  
:  
Defendants. : August 31, 2018  
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The above-entitled Motions Hearing was continued  
before the Honorable T.S. Ellis, United States District Judge.

A P P E A R A N C E S

FOR THE PLAINTIFF:

ANNA BALISHINA NAYDONOV, ESQ.  
DOUG REHEW, ESQ.  
Finnegan Henderson Farabow Garrett & Dunner LLP  
901 New York Ave NW  
Washington, DC 20001-4413

FOR THE DEFENDANT:

MICHAEL ABBOTT GROW, ESQ.  
ROSS PANKO, ESQ.  
Arent Fox PLLC  
1050 Connecticut Ave NW  
Washington, DC 20036-5339

OFFICIAL UNITED STATES COURT REPORTER:

MS. TONIA M. HARRIS, RPR  
United States District Court  
Eastern District of Virginia  
401 Courthouse Square  
Ninth Floor  
Alexandria, VA 22314  
703-646-1438

P R O C E E D I N G S

(Court proceedings commenced at 10:34 a.m.)

THE DEPUTY CLERK: Combe Incorporated versus Dr. August Wolff GMBH & Co. KG Arzneimittel. Civil Case No. 1:17-CV-935.

Counsel, please note your appearance for the record.

MR. REHEW: Good morning, Your Honor. Doug Rehw from Finnegan on behalf of Combe.

THE COURT: All right. And on behalf of the defendant.

MR. PANKO: Good morning, Your Honor. Ross Panko and Michael Grow from Arent Fox on behalf of Dr. Wolff.

THE COURT: All right.

MR. REHEW: I also have Anna Naydonov with me as well.

THE COURT: All right. Good morning to all of you.

All right. Let me recount roughly where we are here. This is a Section 1071 of Title 15 case in which an unsuccessful protestor before the TTAB opposing the issuance of a trademark by this defendant brought this 1071 suit. There has been in the past some confusion about 1071 cases. I've been here long enough so that I participated in some of that confusion.

In fact, in a recent flurry of mail that I received, bags of it, castigating me and praising me, I received a

1 letter from a woman who didn't do either castigate or praise  
2 me, but reminded me that she had been in high school with me  
3 in 1956 in Greenwich High School in Greenwich, Connecticut.  
4 And her message to me was, "I'm glad to see you're still  
5 kicking." I wish I could have said the same to her. I didn't  
6 remember her.

7 In any event, there has been confusion. But as a  
8 result of the *Swatch* case in the Fourth Circuit there is no  
9 longer much confusion about the process. Given the fact that  
10 the parties have now gone through discovery, they're amassing  
11 a record. I've issued an order requiring the administrative  
12 record to be sent and filed here. And the parties, as I've  
13 said, have also presented additional evidence. And so *Swatch*  
14 teaches that a review under 1071 is a de novo review of the  
15 entire record. No differential review to what the TTAB did.  
16 It is a de novo review of the entire record.

17 Now, the defendant's briefs have continued  
18 relentlessly to say jury trial is demanded. I don't believe  
19 there is an entitlement to a jury trial in this matter. I  
20 don't know how a jury would review an administrative record.  
21 De novo or otherwise. But let me confirm.

22 Does the plaintiff contend there is a jury in this  
23 case?

24 MR. REHEW: No, Your Honor, and I believe in our  
25 last appearance before Your Honor we -- the parties agreed

1 there will be no jury.

2 THE COURT: Is that correct?

3 MR. PANKO: That's correct, Your Honor.

4 THE COURT: All right. Well, that eliminates one  
5 thing, because I went back to a 1951 case to determine that  
6 the origins of 1051 are in equity.

7 So I anticipate that after a trial I will have a  
8 complete record and I will have to review that entire record  
9 and develop findings in fact and conclusions of law that focus  
10 on whether the TTAB was correct in issuing the Vagisan mark.

11 Now -- so the question is: Should the defendant's  
12 mark, Vagisan, which -- should it not have issued or should it  
13 be cancelled, one way or the other. It should be cancelled  
14 because it has issued. That's really the contention.

15 Now, there are three motions before the Court today.  
16 A Daubert motion and two evidentiary motions. I think, given  
17 that the parties are correctly in agreement that this is not a  
18 jury matter and that they are correctly in agreement that this  
19 is a review de novo, so I have to consider the trial record as  
20 well.

21 And the three motions are: a motion to exclude  
22 evidence of various third parties, and a motion to exclude or  
23 strike or exclude plaintiff's expert, and a motion -- what's  
24 the third one? It's -- the third one is a motion to exclude  
25 Dr. Simonson's opinions regarding the use of foreign packaging

1 for likelihood of confusion survey. Those are the three  
2 motions, which I will hear from you on today. But I'm also  
3 interested today in setting a date for a hearing on the  
4 merits. This matter has been pending too long now. We need  
5 to get it resolved. Maybe if I delay it long enough Combe  
6 will buy Wolff or Wolff will buy Combe and we wouldn't have to  
7 worry about this. But I take it that's not in the offing, is  
8 that correct?

9 MR. REHEW: That's correct, Your Honor.

10 MR. PANKO: And just to clarify, Your Honor, we do  
11 have a trial date. We had the pretrial conference on August  
12 16th.

13 THE COURT: That's right.

14 MR. PANKO: And the Court set the trial date for  
15 December 4th.

16 THE COURT: What did I set?

17 MR. PANKO: December 4th, Your Honor.

18 THE COURT: All right.

19 MR. PANKO: And, Your Honor, you also instructed the  
20 parties to contact a magistrate judge to set -- arrange for a  
21 settlement conference, which we have done and we've conferred  
22 with dates and contacted --

23 THE COURT: All right. Thank you. Let's take up  
24 first the attack on plaintiff's survey for not using  
25 defendant's foreign packaging. I guess that's what that is.

1 So that would be -- that would be the plaintiff's motion.

2 Is that correct?

3 MR. REHEW: Yes, Your Honor.

4 THE COURT: I'll hear from you first on that.

5 MR. REHEW: Thank you, Your Honor.

6 Your Honor, as you note, 1071 appeals are a bit  
7 unusual. They are not very common in the trademark context.  
8 But what's really unusual is to have a 1071 appeal that  
9 doesn't have an infringement claim to it. Most of the time  
10 people -- a party will appeal from the board and that when  
11 they go to District court they'll --

12 THE COURT: If we delay long enough maybe Wolff will  
13 come into the market.

14 MR. REHEW: But to Your Honor's point they are not  
15 here and that's a very important point here. But we look for  
16 cases where there were appeals from 1071 with no infringement  
17 claims. There is very, very few. And there's very few that  
18 talk about the surveys, but we found two of them.

19 THE COURT: Very few that what?

20 MR. REHEW: That actually involve consumer surveys,  
21 the likelihood of consumer surveys, Your Honor. And we found  
22 two cases.

23 One of them is the *Seacret Spa* case, which is in  
24 this court. And the other case is a case in the southern  
25 district of New York. And we did cite those in our papers.

1 It's on page four of our reply.

2 But the *Seacret Spa* case is a very instructive case.  
3 That's a case out of this court. And there was a case where  
4 there was an appeal about a TTAB decision to this Court under  
5 1071 and there, there was a survey at issue. And in that  
6 case, Judge Cachieris explained that when you're looking at a  
7 1071 appeal without an infringement claim, the use of a  
8 trademark in the marketplace is irrelevant. It has no  
9 relevance at all. And the court explained that in this  
10 context, in the registration context, all you look at is not  
11 the actual use of the mark in commerce, but you look at the  
12 trademark application that was refused. And that application  
13 defines the issue in the case.

14 Because what you're talking about is --

15 THE COURT: How does that square with the *Swatch*  
16 case?

17 MR. REHEW: Well, the *Swatch* case involved  
18 infringement.

19 THE COURT: I understand that, but even without  
20 infringement, isn't the 1071 case a new trial?

21 MR. REHEW: Yes. Absolutely. Procedurally it's a  
22 new trial.

23 THE COURT: So why can't I look at anything that  
24 might be relevant in determining whether the TTAB should have  
25 issued a mark or a mark should be cancelled?

1 MR. REHEW: Your Honor, you absolutely could look at  
2 any new evidence that would be relevant to that determination,  
3 but the actual use of their mark is not relevant. And this  
4 Court has held that. That the actual use -- how they actually  
5 use the mark in commerce is not relevant because all we're  
6 looking at is whether the mark should have registered. And  
7 when you look at that issue, it's -- all you determine is the  
8 mark in the application and the goods in the application.

9 And that applies here to this motion, because Wolff  
10 is criticizing Combe for doing a survey that didn't show an  
11 actual product. And our view is we did the survey the  
12 absolute way you're suppose to do it when you're looking at a  
13 registrability determination. And that was what was at issue  
14 in *Seacret Spa* when this Court was looking at it.

15 And the Court held that --

16 THE COURT: Was that before or after *Swatch*?

17 MR. REHEW: That was after *Swatch*, Your Honor. That  
18 was actually a 2016 case.

19 THE COURT: All right. Go on.

20 MR. PANKO: So it was after *Swatch* and the Court --  
21 this Court said, and I quote, "The relevant inquiry in a  
22 registration proceeding involves the mark and usage described  
23 in the application rather than as they appear in the  
24 marketplace."

25 And so for that reason --



1 THE COURT: See the problem I have with that is that  
2 1071 is a new case. It's a court case. And do you have any  
3 authority apart from that case that says that the scope of  
4 review in a 1071 case is limited to the kind of evidence that  
5 would be considered on a registration and it can't be  
6 furthered than that?

7 See that doesn't make much sense to me if you can  
8 say that, as *Swatch* says, you can produce all kinds of  
9 evidence in a 1071 case. But now you're saying no you can't.

10 MR. REHEW: Your Honor, the difference between  
11 *Swatch*, is *Swatch* had an infringement claim. So when you're  
12 looking at infringement, you're looking at the actual use of  
13 the mark. But when you're looking at a registrability  
14 determination without infringement, the sole issue is whether  
15 the mark should be: Application, has applied for, should have  
16 gone through.

17 And so when you're looking at trademark application  
18 it doesn't have things like the house marks or how the  
19 packaging looks or all the other things you would see in  
20 actual commerce. So those are irrelevant.

21 And an answer to Your Honor's question, we also  
22 cited the *Victoria Secret* case out of the southern district of  
23 New York on page four of our reply. And that was another case  
24 where it was an appeal of a 1071 case, went to district court,  
25 and the Court held there that it was appropriate to do a

1 consumer survey where you just showed people the mark as typed  
2 out for the goods and services as they were applied for.

3 And the issue in this motion is: Is it acceptable  
4 to do a consumer survey where you just show people the mark as  
5 it appears in the trademark application, not as it appears in  
6 use. And there's -- the legion of case law says when you're  
7 before the Trademark Trial and Appeal Board -- the issue that  
8 we're appealing, and we cited a number of pages on pages 8 and  
9 9 of our main brief -- case after case before the Board says  
10 you only look at the mark as registered or as applied for.  
11 You don't look at extraneous things like the use of the mark.  
12 And that's critical for this because the only issue we have  
13 here is the registrability, the appeal of the registrability.  
14 It's not an infringement case.

15 And so under *Swatch* -- and again *Seacret Spa* was  
16 post-*Swatch* and was cognizant of the standard of review of  
17 *Swatch*.

18 THE COURT: What would have been controlled by  
19 *Swatch* whereas the case out of here wouldn't have been  
20 controlled by *Swatch*?

21 MR. REHEW: Well, *Swatch* doesn't -- *Swatch* doesn't  
22 say -- because *Swatch* was dealing with an infringement issue,  
23 it does not say that we were dealing with a 1071 appeal  
24 without infringement that you only look at the issue of  
25 registrability.

1 THE COURT: You're quite right. But it doesn't say  
2 the opposite either.

3 MR. REHEW: Correct. Because that wasn't at issue,  
4 Your Honor.

5 THE COURT: It wasn't at issue, you're right, but  
6 the language in *Swatch* certainly suggests that once you file a  
7 1071 it's a new ball game. Not only for infringement but for  
8 registration as well. But I understand the point you're  
9 making. It is a central point.

10 What else can you cite to me that supports your  
11 position?

12 MR. REHEW: Well, Your Honor, all the cases that --  
13 and again, in your brief we've got those two cases that we  
14 talked about, the 1071 appeals. The *B&B Hardware* case out of  
15 the Supreme Court talks about the difference between  
16 registrability determinations and infringement cases and that  
17 was relied upon in the *Seacret Spa* case.

18 And all of the cases that Wolff cites in their  
19 briefs are all infringement cases. And the key here is that  
20 there's -- there's two different issues. There's infringement  
21 and there's registrability.

22 And this court has already held there's no  
23 infringement claims here. The Court has held this is solely  
24 registrability because Combe tried to add infringement claims  
25 but they were denied. And this Court held there can be no

1 infringement claim because Wolff is not using the mark in  
2 commerce. They're not -- they're not making a product.

3 Now, another fundamental point here is Wolff says  
4 well we should have used their foreign packaging in our  
5 survey. That would be inappropriate because Wolff has  
6 testified over and over that it does not know what its U.S.  
7 packaging will look like.

8 THE COURT: All right. Let me hear from the other  
9 side on this point and we'll move on to the next one.

10 ATTORNEY 1: Your Honor, we have one fundamental  
11 disagreement here.

12 THE COURT: Just one?

13 ATTORNEY 1: Well, there's more than one but one  
14 really important one. And that is this isn't a situation that  
15 is determined by whether we're dealing with infringement or  
16 registrability. Whether if you're in an infringement case or  
17 a case before the TTAB, you're looking at likelihood of  
18 confusion. And the survey that they did is a likelihood of  
19 confusion survey. There's nothing in *Swatch*. There's nothing  
20 in any other case that I know of that says when you go from  
21 the TTAB to a federal court and you're doing a trial de novo,  
22 that you're somehow prohibited from offering the best evidence  
23 possible on the issue of confusion. And in this case it's  
24 very clear that they have not done that. They did a survey in  
25 which they merely showed respondents the names: Vagisil and

1 Vagisan typed on index cards. Nobody in the marketplace is  
2 ever going to have that scenario --

3 THE COURT: I understand the criticism but that --  
4 you're going past the point of whether or not that criticism  
5 should even be considered. They say it shouldn't. And so  
6 nevermind -- I take your point that if you don't have the  
7 commercial circumstances it lessens the probe of the -- the  
8 probative value of anything, because it isn't in the  
9 marketplace. But their argument is that you don't do that for  
10 registration that their survey focuses only on the  
11 registration and what you would see. And they cite two cases  
12 where court's, following *Swatch*, one of them being controlled  
13 by *Swatch*, limited -- apparently limited the evidence to what  
14 would be done on the registrability, not on anything broader  
15 than that.

16 ATTORNEY 1: Not exactly correct, Your Honor, if I  
17 may. The *Seacret Spa* case didn't even involve a survey.  
18 That's a case from Judge Cacheris. In that case Judge  
19 Cacheris said that he agrees that the -- the witnesses  
20 reliance on marketplace usage and his failure to produce a  
21 survey of any kind limits the probative value of his  
22 testimony.

23 And I submit to you that using an index card only  
24 survey limits the probative value of the evidence that the  
25 Court is going to see when it does a trial de novo.

1 THE COURT: All right. I think I understand that  
2 argument too.

3 ATTORNEY 1: And the reason that's important, Your  
4 Honor, our client uses this same package all over the world.  
5 This is the one that's sold in the UK and some gray-market  
6 people have shifted into the U.S.

7 Our client testified that it's waiting to see what  
8 this Court does. If this Court finds, based on this  
9 inadequate index card survey that the TTAB should be reversed,  
10 that's still doesn't resolve the issue of confusion.

11 THE COURT: I don't think I reversed the TTAB. What  
12 I do is I either cancel the mark or I don't. The mark has  
13 issued, hasn't it?

14 ATTORNEY 1: No, Your Honor. In this case there's  
15 only an application that was opposed.

16 THE COURT: So they didn't issue a mark yet?

17 ATTORNEY 1: They haven't issued a registration.  
18 There was an opposition in which it was argued that there is  
19 confusion. The TTAB found no confusion because going through  
20 all of the factors --

21 THE COURT: Yes, I read all of that.

22 ATTORNEY 1: Yeah. So it -- I guess Your Honor  
23 would either allow the application to go forward to  
24 registration or it would instruct the TTAB to say --

25 THE COURT: All right.

1           ATTORNEY 1: -- the opposition is sustained. My  
2 point is this, Your Honor, even if you do that that's not the  
3 end of this story. It might be the end of the story if  
4 they've done a proper survey based on what's really in the  
5 marketplace, but if my client is told you can't register  
6 Vagisan by itself, despite the fact that the TTAB found  
7 there's --

8           THE COURT: I think I --

9           ATTORNEY 1: -- it can start over.

10          THE COURT: I think I've got the parties' arguments  
11 pretty clearly in mind. One side says you're limited to what  
12 would be presented to the TTAB for registration purposes only.  
13 The other party says, no you can present more, but it only  
14 goes to the criticism that you didn't use trade dress only  
15 goes to the value, the probative value. Is that right?

16          ATTORNEY 1: It goes to the probative value of the  
17 survey, but it also goes to the whole question of likelihood  
18 of confusion.

19          In the other case that they mentioned the *Victoria*  
20 *Secret* case, the expert there did both an index card survey  
21 and a survey based on trade dress, marketplace realities. And  
22 in fact, only half as many people showed confusion when they  
23 saw the actual product in the marketplace.

24          So our contention is, Your Honor, there is nothing  
25 that prevents them from putting in any kind of evidence they

1 want. And if they really wanted to prove that there's  
2 confusion, they should have used the best evidence available.  
3 They didn't do that and therefore this motion, which is trying  
4 to exclude an expert from opining on this, should be denied.  
5 He should be permitted to give his opinion on the value of  
6 having marketplace conditions taken into account in a survey.

7 THE COURT: All right.

8 MR. REHEW: Your Honor, may I --

9 THE COURT: Yes, you may respond briefly.

10 MR. REHEW: Very few points briefly. Your Honor,  
11 that product is not used in the United States. It is not used  
12 all over the world.

13 THE COURT: He didn't say otherwise.

14 MR. REHEW: Well, he did say it's used in the  
15 market. And they --

16 THE COURT: Used in the market in Europe.

17 MR. REHEW: In Europe. But they were in emphatic --  
18 Wolff was emphatic to this Court saying --

19 THE COURT: Yes, they don't contest that now. I  
20 issued an opinion on that. It's over.

21 MR. REHEW: But what's critical is they said they  
22 can't do a survey with that packaging. They told the Court  
23 that. And it's in our briefs. They told the Court a survey  
24 can't be done with that packaging. And so now they're saying  
25 it should be done.



1 THE COURT: No, I'm going to determine whether they  
2 can do it or not. What they say isn't going to move me.

3 What else do you have?

4 MR. REHEW: This Court's -- well, two things, Your  
5 Honor: In *Seacret Spa* this Court did consider a -- what was a  
6 study of the use of the mark based upon the marketplace uses,  
7 which appears in the opinion to be a survey. The Court said  
8 that that was of limited value because that's not the issue in  
9 this case and over and over the Court did say, it's very  
10 relevant to this, the marketplace uses are irrelevant in this  
11 type of appeal. And that's what this Court said.

12 THE COURT: All right.

13 MR. REHEW: And finally, the *New York* case did have  
14 two surveys but that's because the product wasn't used in the  
15 United States. And the Court held it was totally and entirely  
16 proper to do the index card survey, like we did here. And  
17 that's the issue here, whether that's appropriate. And based  
18 on all the authorities for this type of case it certainly is.

19 THE COURT: All right. Let me hear your argument on  
20 the motion to exclude evidence of various third parties.

21 If you file enough motions, would I eventually get  
22 to hear from Ford Farabow? I take it the answer to that  
23 question is no.

24 MR. REHEW: It would take a few more motions, Your  
25 Honor.

1 THE COURT: And how would you get him off the golf  
2 course?

3 MR. REHEW: That's something I was never able to do,  
4 Your Honor.

5 THE COURT: Mr. -- for your benefit, this firm and I  
6 were locked in mortal combat in the '70s. Mark Finnegan was  
7 then the head of it. I was on the other side. We took the  
8 deposition -- at my age you reminisce a lot as the newspapers  
9 have noted and the commentators.

10 So we took the deposition in a patent antitrust case  
11 of the defendant -- yes, no, the plaintiff's CEO and the  
12 deposition lasted six weeks. Now, anybody who does that in  
13 this court is going to get prison sentence. Serious sanction.  
14 But I -- I was different then. And the deposition took place  
15 in the South of France. So that explains it, doesn't it?

16 And during that whole lawsuit I got to know Mark  
17 Finnegan and Ford Farabow. That's why I raised it. Mark  
18 Finnegan passed away a number of years ago prematurely  
19 tragically. And then -- I'm revealing all of this because I  
20 don't think it really amounts to recusal. There was some  
21 event at which you-all invited speakers and then you gave  
22 awards, a Mark Finnegan award to a speaker. I think I got one  
23 of those 15 years ago or so. I don't know what I've done with  
24 it. But I want you to pass my regards on to Mr. Farabow. I  
25 don't know anyone else in the firm. And I -- I lament the

1 passing of that era. These were -- four of us locked in  
2 mortal combat and we became good friends. How often does that  
3 happen these days? That's too bad.

4 The case was ultimately settled. I can't remember  
5 now if anybody could claim advantage from the settlement. But  
6 in any event, we were always civil to one another. And that  
7 doesn't happen as much today as it happened in the '60s and  
8 '70s, which occurred back then.

9 In any event, I want to hear about this so-called  
10 irrelevant third party.

11 This has to do with the prefix Vag, is that right?

12 MS. NAYDONOV: Yes. With the prefix Vagi, Your  
13 Honor. Wolff wants to rely on a number of third party marks  
14 to argue that they allegedly diminished.

15 THE COURT: There was some evidence of that before  
16 the TTAB.

17 MS. NAYDONOV: There are some products that they  
18 purchased before the TTAB.

19 THE COURT: In fact the TTAB noted that a lot of  
20 people used Vag and it's asking too much -- or it's not asking  
21 too much that they distinguish between sil, sans, care, and  
22 all sorts of other suffixes to the prefix Vag. Is that right?

23 MS. NAYDONOV: Well, actually, Your Honor, the TTAB  
24 did not know that there were a lot of third parties. They  
25 said that there were some. There were 14 registrations.

1 THE COURT: Right.

2 MS. NAYDONOV: And they said there's no evidence of  
3 how widely they're used. So despite the numerous repetition  
4 in our opponents brief that the TTAB --

5 THE COURT: So why should I ignore this -- this new  
6 evidence, which is really just quantitatively different from  
7 what was before the TTAB? It's the same evidence. It's just  
8 quantitatively greater.

9 MS. NAYDONOV: It's quantitatively a little bit  
10 greater, but we're still talking about a very small handful of  
11 marks, which are irrelevant because this case is not about who  
12 owns the Vagi prefix. If that was the case, that we are  
13 alleging that we own Vagi and that's why we are here those  
14 would be irrelevant, but that's not the case. This is a case  
15 about Vagis, plus one vowel and one constant: Vagisil,  
16 Vagisan.

17 So all of these small third parties we're talking  
18 about, I think 22 total -- we did a summary chart for the  
19 Court's convenience in their reply brief -- they all combine  
20 Vagi with very distinct terms. Like Vagipur, Native remedies,  
21 Vagi-Clear. So -- and all of those marks, as we detailed  
22 virtually all of them, have just laughable sales of like zero  
23 to a couple of thousand dollars a year, no advertising  
24 spending.

25 THE COURT: Why doesn't that go to weight rather

1 than admissibility?

2 MS. NAYDONOV: Because they are irrelevant, Your  
3 Honor. They did not --

4 THE COURT: That doesn't give me a reason. That  
5 answers -- why is it irrelevant rather than merely go to the  
6 weight?

7 MS. NAYDONOV: Because they're so different that  
8 they cannot diminish the strength of the Vagisil brand. Just  
9 on their face Your Honor can see that the marks they're trying  
10 to rely on are different. And also on their face the  
11 declarations is what you'll hear at trial about the uses of  
12 those third parties and with the exception of private label  
13 that I will get to, they are just so small that as a matter of  
14 law they are insignificant and it would be a waste of time to  
15 go over them again at trial.

16 THE COURT: Well, you finally said something that  
17 got my attention, "waste of time."

18 Let me ask the defendant here. Suppose I conclude  
19 that these registrations using "Vag" may have some probative  
20 value if they are significant enough. Surely that would slim  
21 down what you would offer. Am I correct?

22 MR. PANKO: Well, Your Honor, just to briefly to  
23 answer your question and to --

24 THE COURT: How about answering it first?

25 MR. PANKO: Well, Your Honor --

1 THE COURT: The answer is yes.

2 MR. PANKO: The answer is yes Your Honor. What we  
3 would offer at trial would be 17 -- at least 17 third-party  
4 uses of trademarks that used the --

5 THE COURT: How would you do that?

6 MR. PANKO: We have -- as Combe mentioned, we have  
7 declarations from ten of these --

8 THE COURT: But this is the trial. Wouldn't they  
9 get to cross-examine those people?

10 MR. PANKO: Combe has stipulated that these  
11 declarations are admissible in this case.

12 THE COURT: All right. So all you would do would be  
13 to introduce 17 registrations.

14 MR. PANKO: We have 17 uses of the Vagi prefix or  
15 vaginal care products and 18 live registrations of --

16 THE COURT: How would you show the former? The  
17 registrations you would simply submit. And they are either  
18 authentic or uncontested or not. How would you show the  
19 other?

20 MR. PANKO: With regards to the registrations, we  
21 have a paralegal who printed the documents, the registrations  
22 from the PTO website.

23 THE COURT: I don't want to hear from any paralegal.

24 MR. PANKO: And these are public records.

25 THE COURT: There you go.

1 MR. PANKO: These are public records.

2 THE COURT: All you need is a request to admit or  
3 something of that sort. But how would you prove the others?

4 MR. PANKO: The others, as I mentioned, we have  
5 declarations from these third party --

6 THE COURT: How is that admissible at a trial?  
7 They're hearsay.

8 MR. PANKO: We have a stipulation from Combe that  
9 these are documents that are genuine and that these parties in  
10 fact sold these products under the Vagi prefix in the United  
11 States.

12 THE COURT: All right. Now, surely some of them, as  
13 Combe points out -- by the way, is it Combe or Combe?

14 MS. NAYDONOV: Combe, Your Honor.

15 THE COURT: Combe. As Combe correctly points out  
16 some of these are pretty de minimis commercially.

17 Why are those relevant?

18 MR. PANKO: Those are relevant, Your Honor, because  
19 under the *Juice Generation* case from the federal circuit and  
20 the *Jack Wolfskin's* case from the federal circuit no evidence  
21 that the amount of sales is required where you have a  
22 substantial number of third party marks, which we have here.

23 In fact, in *Juice Generation* and *Jack Wolfksin* the  
24 federal circuit overturned the -- reversed the TTAB decision  
25 where the TTAB found, as Combe is arguing the Court should do,

1 to find that third-party marks shouldn't be considered if  
2 there are no details regarding the sales. Federal circuit in  
3 both of those cases said that's wrong. That's not the right  
4 approach.

5 What you do is you look at the overall landscape.  
6 Are there a significant number of descriptive prefix marks  
7 being used, other significant number that has been registered.  
8 Here, as the TTAB correctly found and as our evidence  
9 confirms, there is. There's a significant number of uses and  
10 registrations. Therefore what the TTAB found is imminently  
11 correct and we will prove that at trial.

12 THE COURT: All right. Let me switch for a moment,  
13 because I want to come back to other things, but let me switch  
14 for a moment to the issue of plaintiff's expert Hal Poret.

15 You have a motion to exclude that. Let me hear from  
16 you on that. You argue that Mr. Poret's likelihood of  
17 confusion survey doesn't consider market conditions. Is that  
18 what I've already heard? Is that the argument that I've  
19 already heard?

20 MR. GROW: That's not the main argument. That's one  
21 of the arguments, Your Honor. I can tell you the main  
22 argument of why this should be excluded. And that is that  
23 this survey, unlike any one I've ever seen, has a blatant  
24 misrepresentation of the reported instances of confusion.  
25 There is one respondent, No. 1764, who was allegedly confused



1 and put in the test group. And when you go to the verbatims  
2 you find that when he was asked: What company or brand puts  
3 that out, he said Vagipur. Vagipur was the control. There's  
4 only two ways that can happen. Either somebody deliberately  
5 skewed the survey to try to make it more favorable for Combe  
6 or it was done so sloppily that it just can't be relied upon.

7 If I went home tonight and bought a carton of eggs  
8 and had one for breakfast and came down with semolina  
9 poisoning, I wouldn't go test the rest of the eggs in that  
10 carton, I would throw it away. And that's what has to be done  
11 with this survey.

12 This never happens in a survey. The first  
13 responsibility of a survey expert is to make sure that the  
14 results are reported accurately. And he was either  
15 extraordinarily careless or something deliberately was done  
16 here in any event. You can't rely on a survey like this.

17 The other important reason to take this into or to  
18 consider here, there's another survey respondent, No. 1330 who  
19 when they were asked who put this is out, they said -- she  
20 said "Vagisan," which was the appropriate response. It was a  
21 Vagisan product she saw.

22 Two questions later, when finally asked who is  
23 affiliated or connected with this, she said first Monistat.  
24 And when we looked at this initially with this big wide print  
25 out, we thought well they reported that one wrong too. But

1 then after saying "Monistat" she said "Vagisil." They  
2 reported that as confusion too.

3 And there are many instances in here where  
4 respondents who were asked why they gave a particular answer  
5 explained that it wasn't because they were confused, some of  
6 the time it was because of the Vagi prefix. And here is  
7 really the important point, Your Honor. When you pick a  
8 trademark with a descriptive or generic prefix and then add  
9 something to the end of it, you don't get to accuse somebody  
10 for confusion if they use the mark that has that prefix. The  
11 mark as a whole has to be confusing. The Court has to look at  
12 the suffix to determine.

13 This is a very common situation in trademark law.  
14 The first trademark case I ever worked on was for Johnson &  
15 Johnson. They had a mark called Permacel. They had filed six  
16 cases trying to prevent other people from using "Perma" with  
17 some different suffix than "cel." They lost every one of  
18 them. They turned to us for the seventh. We lost that one  
19 too. And the Board has ruled over and over again if somebody  
20 picks a descriptive prefix, they can't monopolize that word.

21 And in this case that's what happened. And many of  
22 the people who were reported as confused in this survey were  
23 confused only because of that prefix. This is what's known as  
24 the "crowded field doctrine" when you have a field of use  
25 that's so crowded with third-party uses, you can't count that

1 as confusion. That's the big flaw in this survey. In  
2 addition to --

3 THE COURT: Why doesn't this go to the weight of --  
4 that I described in the survey rather than to kick it out  
5 entirely.

6 MR. GROW: Well, Your Honor, that's entirely your  
7 call, of course. We think, as I mentioned at the outset, it's  
8 so unreliable it should be kicked out entirely. But even if  
9 you accept it, this reason alone is enough to give it  
10 virtually no weight. No weight whatsoever.

11 THE COURT: All right.

12 MR. GROW: The other thing -- the reason that this  
13 survey contained why questions was specifically to find out  
14 whether people were being confused by that Vagi prefix or not.  
15 This is not a normal trademark survey. Most surveys aren't  
16 from this crowded field. They don't have these descriptive  
17 prefixes, but this one did.

18 But ordinarily, if you do a survey properly in  
19 addition to asking these why questions, you have to use a  
20 proper control. And that control has to be non-infringing but  
21 close enough to the plaintiff's mark where they can  
22 effectively screen out particularly irrelevant responses. And  
23 in this case -- in this case because there are so many  
24 third-party products, major ones like Vagicaine, Vagistat --  
25 which until recently, for 30 years, this was a third-party

1 mark Combe acquired it only recently. Because there are so  
2 many marks out there that you control in this case was  
3 critical.

4           The controller that was picked was Vagipur. And  
5 that was simply inadequate. We can see that Vagicaine is not  
6 infringing. So a proper control would have been something  
7 like Vagican or Vagistat. For 30 years it's non-infringing.  
8 A proper control would have been something again that picked  
9 up that "A" sound in the suffix. They picked one that was  
10 totally far afield "pur," which as our expert testified for  
11 many people would signify a geographical location. It's a  
12 common suffix in India and that part of the world to designate  
13 a town. And it's very clear that had they used a proper  
14 control in this case, they would have had a much larger number  
15 of confused people on the controlled side who would have been  
16 deducted.

17           And then we've already talked about marketplace  
18 conditions and I'm not going to go into that again. But when  
19 we did -- when we looked at the verbatim results, when we  
20 properly subtracted from both the control side and the test  
21 side, those people who -- who mentioned Vagisil, not because  
22 they were confused, but only because it was the only name they  
23 knew or maybe it was one of the number of marks that they  
24 passed out. It was just a memory test.

25           When you properly deducted the people in that

1 category, the confusion level went from 19 percent, which  
2 wasn't very high to begin with, down to the 11 to 12 percent  
3 level. And had they done a proper marketplace survey, showed  
4 people the brand that's going to be used, it would have been  
5 below ten percent without doubt. If the same thing happened  
6 as in the *Victoria Secret* case, it would have been half of  
7 that. So five percent. That's not enough to show confusion  
8 and it is enough to exclude the survey entirely. As I say,  
9 it's clearly up to Your Honor whether to exclude or --

10 THE COURT: What's the standard that the TTAB uses  
11 in determining whether an application should issue as a  
12 protected mark?

13 MR. GROW: They use a --

14 THE COURT: What's the statute that governs? What's  
15 the standard?

16 MR. GROW: The statute is the likelihood of  
17 confusion provision in the Lanham Act Section 2D, but they use  
18 a set of standards much like the Fourth Circuit uses to  
19 evaluate whether two marks are confusingly similar. Surveys  
20 are just one of many things. Probably the most important  
21 factor is how strong is the plaintiff's mark. Vagisil is an  
22 extraordinarily weak mark. There are a lot of third-party  
23 marks out there.

24 And it's kind of like if Carfax, a well known used  
25 car dealer, came into this Court and wanted to stop somebody

1 from using Carman. They don't get any exclusive rights in the  
2 word "car." And if people see Carman and think of Carfax that  
3 doesn't mean they're confused. That's what's wrong with this  
4 survey. You go through the same analysis. You say how strong  
5 is the plaintiff's mark. How much protection does it get. It  
6 doesn't get any protection from the word "Vagi." You look at  
7 how close are the marks; how close are the goods; what are the  
8 trade channels; what is this sophistication; how much care do  
9 they exercise. The TTAB found that when somebody buys an  
10 intimate product like this, it's not like buying a candy bar  
11 at the checkout stand. They look at it carefully. They weigh  
12 their decision. And that was just one of many things along  
13 with the third party use --

14 THE COURT: Would you attack the qualifications of  
15 Poret?

16 MR. GROW: No. Mr. Poret is an expert witness who's  
17 testified many times. He's qualified to do a survey. Our  
18 problem is --

19 THE COURT: He's not the one who's a lawyer?

20 MR. GROW: He is the lawyer. Yes, Your Honor. He  
21 doesn't have a background like our expert in consumer behavior  
22 or consumer resource --

23 THE COURT: Why is he an expert? I dare say I've  
24 heard as many registration and trademark cases in the past 32  
25 years that I've been here as he has.

1 MR. GROW: The only basis for his expertise is that  
2 he's done a lot of surveys and some courts have accepted them.

3 He clearly doesn't have the same understanding as  
4 our expert, Dr. Simonson, who pointed out a number of flaws in  
5 the methodology. And most important of all is --

6 THE COURT: I don't understand why I don't make that  
7 determination at the trial when I have them both before me,  
8 hear them, and make a finding of fact as to which opinion I  
9 think, if either one. It may be that both of them don't  
10 impress me.

11 MR. GROW: Your Honor, it's entirely your  
12 prerogative. We think it should be excluded for all the  
13 reasons we've stated, but it's entirely up to you.

14 THE COURT: All right. Let me hear your response  
15 briefly.

16 MR. REHEW: Thank you, Your Honor. First, Mr. Poret  
17 does have a mathematics degree and --

18 THE COURT: Well, I have one in engineering Physics  
19 does that make me any better?

20 MR. REHEW: I think if Your Honor did surveys and --

21 THE COURT: No, no. Come on.

22 MR. REHEW: Mr. Poret he is one of -- as a  
23 specialist in this area, Mr. Poret is one of the desired  
24 experts. He's done many, many surveys. He's been accepted by  
25 many courts.

1 THE COURT: All right. Well that's certainly  
2 persuasive, but do you think people would be experts in  
3 statistics and inferences of that sort? I've seen other  
4 surveys where they have expertise. But in any event, go on.

5 MR. REHEW: Okay. And, Your Honor, you put it best.  
6 And in fact Wolff made the argument in our -- in opposing our  
7 motion to Daubert -- part of their expert. And they said at  
8 the end of their brief that because this is a bench trial,  
9 this stuff should come in. The expert should be allowed on  
10 the stand, our expert should be allowed on the stand in our  
11 view and he can explain everything. I can explain some of it  
12 now, but he can explain why he was right.

13 THE COURT: The only thing that troubles me about  
14 that is what your co-counsel said. Remember what she said  
15 that got my attention?

16 MR. REHEW: "Waste of time."

17 THE COURT: Waste of time.

18 MR. REHEW: But this Your Honor would not be a waste  
19 of your time. This would not be a waste of your time at all.

20 To address the points of both counsel made. There  
21 was one respondent that was misquoted. And that is not  
22 unusual. It happens all the time. This is a classic issue  
23 that goes to the weight of the survey. And the other survey  
24 responsive that they say are invalid are ones where people in  
25 follow-up questions did mention Vagisil.



1           What's critical here is this was an *Eveready* survey.  
2   And Your Honor has seen *Eveready* surveys. It is a very  
3   standard survey. And counsel mentioned that this survey  
4   showed people Vagisan and Vagisil. That's not true. An  
5   *Eveready* survey only showed the defendant's mark, "Vagisan."  
6   And for people to say Vagisil they had to come up with that on  
7   their own. And that's critical. It's a very conservative  
8   method and it's a very powerful method. And that's why  
9   court's have said it's the gold standard in survey research.

10           They attack the fact that Mr. Poret didn't look at  
11   the reasons people gave for their confusion. And I think in  
12   that argument is misguided, because it ignores the fact that  
13   this is an *Eveready* survey. People were shown the mark and on  
14   their own they said "Vagisil." And so that in and of itself  
15   is enough to show confusion. And it's wrong to say that  
16   people have to then, in response to follow-up questions, say  
17   they were confused because of the name.

18           And there's a simple example here. There is a  
19   simple analogy. If somebody were to ask you: Why did you buy  
20   that watch? You might say, Oh, I like the band or I like the  
21   color, I like the way it looks. Very few people would state  
22   the obvious and say I bought that watch because I need  
23   something to tell time. And that's why in these surveys  
24   people don't -- experts don't rely upon the reasons people  
25   give for their confusion. They take their confusion and they

1 subtract noise from a separate control set.

2 And in our briefs we've explained a number of  
3 experts THAT have said that's the way you scientifically must  
4 run a survey. You don't look at the reasons why. They're  
5 absolutely wrong that that's the way you do this. It is not  
6 the way it should be done.

7 And we cite in our briefs Jerre Swann. They cite  
8 McCarthy, a McCarthy section that says the reasons people give  
9 in the why questions to a survey are instructive. And while  
10 they're instructive, they're not necessary and they're not  
11 suppose to wreak havoc. In that same McCarthy section they  
12 cite, there is a part of the cite that they didn't give, which  
13 is another -- yet another expert saying, "The scientific  
14 literature reveals that placing great weight and relying to  
15 answers and why questions runs counter to generally accepted  
16 scientific wisdom and research finding."

17 What does that mean? It means if you have a good  
18 control you don't look at the reasons why people give because  
19 again they don't always state the obvious.

20 Now, our control here could not have been better.

21 They complained that there is other Vagis out there  
22 and Vagi is a common suffix. Well, the control that Mr. Poret  
23 used was Vagipur. It had Vagi in there. So if people were  
24 confused because of the prefix "Vagi" that would be subtracted  
25 out of the control. He measured for that very exact

1 phenomena. Vagipur is a phenomenal control. And in many  
2 times in these cases controls can go far afield. Not this  
3 control. This is really the optimal control. And when we  
4 look at control, they have to -- the rule is -- and both  
5 parties' agree -- they have to come as close as possible to  
6 the infringing mark without infringement.

7 And the controls that they're suggesting we should  
8 use, Vagi plus a "S," that's too close. That's what our case  
9 is about. Our case is not about just Vagi. It's about using  
10 Vagi plus "S," plus a vowel, plus a constant. And so the  
11 control, when it's close as possible without violating the  
12 rule that you have to cross the line.

13 Now, another reason this survey should come in,  
14 aside from the fact that all of this goes to these are  
15 methodological nitpicks that go to weight and not  
16 admissibility, another reason it should come in is they  
17 recalculated the numbers. They took our 18 -- 19 percent and  
18 they said the result really is 12 percent in one brief and 12  
19 and a half percent in another brief.

20 Well, in the Fourth Circuit, under the Sara Lee  
21 case, 12 percent is enough for actual confusion in a survey.  
22 And I refer to the Sara Lee case in our briefs, which is a  
23 Fourth Circuit case. So even if you take their criticisms  
24 there certainly is relevance to this survey. And that's --  
25 Sara Lee is 81 F.3D --

1 THE COURT: Oh, I know where to find it.

2 MR. REHEW: Okay. So even taking their criticisms  
3 as true, Your Honor, the numbers that they come up with --  
4 this is enough. The point of this there is all enough in here  
5 for this to be probative, to be relevant, to be not a waste of  
6 time at all.

7 THE COURT: All right. Just a moment here. When is  
8 the trial set?

9 MR. REHEW: December 4th, Your Honor.

10 THE COURT: All right. As a concession to the  
11 shortness of life, let me end the argument. All of these  
12 arguments that you've made, both sides, are helpful to me.  
13 I've listened to them. They're all in your briefs which are  
14 not short.

15 In fact, did someone violate the 30-page limit?  
16 Maybe it wasn't in this case. No. But they're lengthy  
17 briefs, they're thorough, and you make all of these points and  
18 they're important points for you to make. But in my view on a  
19 bench trial they go to the weight not to the admissibility.

20 Now, there will be extreme circumstances where I  
21 might say that's so weak I won't even consider it, but I don't  
22 need to make that determination now.

23 If the trial is December 4th, then I need to have  
24 proposed findings of fact and conclusions of law submitted at  
25 least a month in advance. So that would be by November 2nd.

1 Close of business November 2nd.

2 Now, in those findings of fact and conclusions of  
3 law, I want you to be sure that you cover, in the conclusions  
4 of law, what standard you think the Court in this 1071 case  
5 should apply to deciding whether to allow the mark to issue or  
6 not. I think counsel is correct to point out that I don't  
7 cancel the mark because Vagisan hasn't issued, but I do say  
8 whether it's allowed to proceed to issuance or whether it  
9 should not.

10 And, yes, the overall test is whether it's so close  
11 that there's potential for confusion. I'm sure that part of  
12 the analysis includes, as it did before the TTAB, whether it's  
13 a strong or a weak mark, whether it's suggestive or  
14 descriptive and so forth. But I want all of that. And the  
15 orders that I will enter saying that these motions are denied  
16 because of the evidence -- it goes to -- will come in. And it  
17 goes to the weight, not to the admissibility, does not  
18 preclude the Court at the time of trial saying: Well, I'm not  
19 even going to consider that because it's so far afield. But I  
20 don't want you to think that you've wasted your time on these  
21 three motions, because it has helped to bring me up-to-date  
22 and educate me.

23 The one issue that I find particularly interesting  
24 is whether it's completely illegitimate to submit a survey  
25 that does more than simply what the TTAB would typically see,

1 which is just the two marks with nothing else.

2 I don't even know why the TTAB would limit itself to  
3 that. I don't see that in the statute. If there's other  
4 evidence, there might be other evidence. But I will look at  
5 these cases that you-all have cited carefully. And I also  
6 have a sense that when the defendant, when Wolff ultimately  
7 enters this market, as there's a good chance that it will,  
8 does the whole thing have to be reopened? Of course not, but  
9 we'll have to see about that. It's an interesting case. What  
10 you've done has helped educate me.

11 But I'm going to deny these motions. They --  
12 nothing will be excluded. The criticisms and the studies will  
13 come in. I will hear testimony about them and we'll make a  
14 more informed judgment about whether it is persuasive or not  
15 at the time of the trial.

16 All right. And I've set the date for the filing of  
17 findings of fact and conclusions of law. And they will be --  
18 well, they will be simultaneous and then you can respond.  
19 I'll put that in there. 14 days later.

20 What is the burden here? This case was brought  
21 under Section 1071 by Combe. Typically plaintiffs have the  
22 burden. And that burden would be in preponderance of the  
23 evidence.

24 Do you agree with that from the plaintiff?

25 MR. REHEW: Yes, Your Honor. I have not researched

1 that in detail. That makes intuitive sense.

2 THE COURT: All right.

3 MR. PANKO: Yes, Your Honor.

4 THE COURT: All right. Well that too should be in  
5 your findings and conclusions. I think that's the case. Once  
6 again, thank you for your arguments. It's been helpful. It  
7 helps me frame and focus my attention for the trial. I'll  
8 look forward to studying your findings of facts and  
9 conclusions. But we need to get this matter resolved.

10 And, of course, the appeal would be to the Fourth  
11 Circuit, not to the federal circuit. Interesting that that  
12 was done. I remember back in the old patent days we used to  
13 station people at phone booths. As soon as something was done  
14 at the PTO, we would have to go to different circuits and  
15 whoever made -- got the first paper filed -- it was a bad  
16 system and I'm glad to see it gone.

17 Thank you.

18 MR. REHEW: Thank you, Your Honor.

19  
20 **(Proceedings adjourned at 11:32 a.m.)**  
21  
22  
23  
24  
25

CERTIFICATE OF REPORTER

I, Tonia Harris, an Official Court Reporter for the Eastern District of Virginia, do hereby certify that I reported by machine shorthand, in my official capacity, the proceedings had and testimony adduced upon the Motions Hearing in the case of the **COMBE INCORPORATED versus DR. AUGUST WOLFF GMBH & CO. KG ARZNEIMITTEL**, Civil Action No. 1:17-CV-935, in said court on the 31st day of August, 2018.

I further certify that the foregoing 40 pages constitute the official transcript of said proceedings, as taken from my machine shorthand notes, my computer realtime display, together with the backup tape recording of said proceedings to the best of my ability.

In witness whereof, I have hereto subscribed my name, this September 7, 2018.



Tonia M. Harris, RPR  
Official Court Reporter